THE PRIZE COMPETITIONS ACT, 1955

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THE PRIZE COMPETITIONS ACT, 1955

ACT NO. 42 OF 1955[1]

[22*nd October*, 1955.]

An Act to provide for the control and regulation of prize competitions.

WHEREAS it is expedient to provide for the control and regulation of prize Competitions;

AND WHEREAS the Legislatures of the States of Andhra, Bombay, Madras, Orissa, Uttar Pradesh, Hyderabad, Madhya Bharat, Patiala and East Punjab States Union and Saurashtra have passed resolutions in terms of clause (1) of article 252 of the Constitution in relation to the above-mentioned matter and matters ancillary thereto in so far as such matters are matters enumerated in List II in the Seventh Schedule to the Constitution;

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(*1*) This Act may be called the Prize Competitions Act, 1955.

(2) It extends to [2][the territories which, immediately before the 1st November, 1956, were comprised in] the States of Andhra, Bombay, Madras, Orissa, Uttar Pradesh, Hyderabad, Madhya Bharat, Patiala and East Punjab States Union and Saurashtra and all Part C States.

(3) It shall come into force on such date[3] as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) "licensing authority" means any officer or authority appointed by the State Government, by notification in the Official Gazette, for the purpose of granting licences under this Act;

(b) "money" includes a cheque, postal-order or money-order;

(c) "prescribed" means prescribed by rules made under this Act;

(d) "prize competition" means any competition (whether called a cross-word prize competition, a missing-word prize competition, a picture prize competition or by any other name) in which prizes are offered for the solution of any puzzle based upon the building up, arrangement, combination or permutation, of letters, words, or figures.

3. Interpretation.—For the purposes of this Act,—

(a) references to printing shall be construed as including references to writing and other modes of representing or re-producing letters, words or figures in a visible form; and

(b) documents or other matters shall be deemed to be distributed if they are distributed to persons or places within or outside the territories to which this Act extends and the word distribution' shall be construed accordingly.

4. Prohibition of prize competitions where the prize offered exceeds one thousand rupees a month.—No person shall promote or conduct any prize competition or competitions in which the total value of the prize or prizes (whether in cash or otherwise) to be offered in any month exceeds one thousand rupees; and in every prize competition, the number of entries shall not exceed two thousand.

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1. Extended to and brought into force in Dadar and Nagar Haveli (w.e.f. 1.7.65) by Reg. 6 of 1963, s. 2 & Sch. I. Extended to Goa, Daman and Diu by Reg. 11 of 1963, s. 3 & sch. (w.e.f. 1-2-1965) Extended to the Union territory of Pondicherry by Act 26 of 1968, s.3 and Schedule. 2. 1st April, 1956, *vide* Notification No. S.R. O. 766, dated 31st March, 1956, Gazette of India, Extraordinary, Part II, sec. 3,
2. Ins. by A. O. (No. 3), 1956.
3. 1st April, 1956, *vid*e Notification No. S.R.O. 766, dated 31st March, 1956, Gazette of India, Extraordinary, Part II, sec. 3.

5. Licensing of prize competitions where the prize offered does not exceed one thousand rupees a month.—Subject to the provisions of section 4, no person shall promote or conduct any prize competition or competitions in which the total value of the prize or prizes (whether in cash or otherwise) to be offered in any month does not exceed one thousand rupees unless he has obtained in this behalf a licence granted in accordance with the provisions of this Act and the rules made thereunder.

6. Licences for prize competitions.—(*1*) Every person desiring to obtain a licence referred to in section 5 shall make an application in writing to the licensing authority in such form and manner as may be prescribed.

(2) On the receipt of such application, the licensing authority, after making such inquiry as it considers necessary, shall, by order in writing, either grant the licence or refuse to grant the licence.

(3) Where the licensing authority refuses to grant a licence it shall record a brief statement of the reasons for such refusal and furnish a copy thereof to the applicant.

(4) The fees on payment of which, the period for which, the conditions subject to which, and the form in which, a licence may be granted shall be such as may be prescribed.

7. Promoters of prize competitions to keep accounts and submit the same to the licensing authority.—Every person who promotes or conducts a prize competition in accordance with the provisions of this Act and the rules made thereunder shall keep accounts relating to such competition and submit to the licensing authority a statement of accounts in such form and at such intervals as may be prescribed.

8. Power to cancel or suspend licences.—(*1*) The licensing authority may, after giving the holder of any licence under this Act a reasonable opportunity of being heard, cancel or suspend the licence on any one or more of the following grounds, namely:—

(a) that there has been a breach of any of the conditions subject to which the licence was granted;

(b) that the holder of the licence has contravened any of the provisions of section 7.

(*2*) Whenever a licence is cancelled or suspended the licensing authority shall record a brief statement of the reasons for such cancellation or suspension and furnish a copy thereof to the person whose licence has been cancelled or suspended.

9. Penalty for promoting or conducting any prize competition in contravention of the provisions of sections 4 and 5.—If any person promotes or conducts any prize competition in contravention of the provisions of section 4 or section 5, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

10. Penalty for failure to keep and submit accounts.—If any person liable under section 7 to keep accounts or to submit statements of accounts fails to keep accounts or to submit statements of accounts as required by that section or keeps accounts or submits statements of accounts which are false and which he either knows or believes to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both, but nothing contained in this section shall affect the provisions contained in section 8.

11. Penalty for other offences in connection with prize competitions.—If any person with a view to the promotion or conduct of any prize competition except in accordance with the provisions of a licence under this Act or in contravention of the provisions of this Act or in connection with any prize competition promoted or conducted except in accordance with such provisions—

(a) prints or publishes any ticket, coupon or other document for use in the prize competition; or

(b) sells or distributes or offers or advertises for sale or distribution, or has in his possession for the purpose of sale or distribution any ticket, coupon or other document for use in the prize competition; or

(c) prints, publishes or distributes, or has in his possession for the purpose of publication or distribution,

(i) any advertisement of the prize competition, or

(ii) any list (whether complete or not) of prize winners in the prize competition, or

(iii) any such matter descriptive of, or otherwise relating to, the prize competition as is calculated to act as an inducement to persons to participate in that prize competition or any other prize competition ; or

(d) brings, or invites any person to send, into the territories to which this Act extends, for the purpose of sale or distribution, any ticket, coupon or other document for use in, or any advertisement of, the prize competition ; or

(e) sends, or attempts to send, out of the territories to which this Act extends any money or valuable thing received in respect of the sale or distribution of any ticket, coupon or other document for use in the prize competition ; or

(f) uses any premises, or causes or knowingly permits any premises to be used, for purposes connected with the promotion or conduct of the prize competition ; or

(g) causes or procures or attempts to procure any person to do any of the above-mentioned acts,

he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

12. Offences by Corporations.—(*1*) If any person guilty of an offence under this, Act is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company, as well as the company, shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed with the consent or connivance of, or is attributable to gross neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means a body corporate and includes a firm or other association of individuals ; and

(b) "director" in relation to a firm means a partner in the firm.

13. Power of licensing authority to call for and inspect accounts and documents.—The licensing authority may—

(a) require any person promoting or conducting a prize competition to produce before it the accounts and other documents kept by such person or to furnish to it such other information relating to the prize competition as it may require;

(b) inspect at all reasonable times the accounts and other documents kept by such person.

14. Power of entry and search.—(*1*) It shall be lawful for any police-officer not below the rank of Sub-inspector authorised by the State Government in this behalf by general or special order in writing,—

(a) to enter if necessary by force, whether by day or night, with such assistants as he considers necessary, any premises which he has reason to suspect, are being used for purposes connected with the promotion or conduct of any prize competition in contravention of the provisions of this Act;

(b) to search the premises and the persons whom he may find herein;

(c) to take into custody and produce before a Magistrate all such persons as are concerned or against whom a reasonable complaint has been made or credible information has been received or a reasonable suspicion exists of their having been concerned with the user of such premises for purposes connected with, or with the promotion or conduct of, any prize competition in contravention of the provisions of this Act; and

(d) to seize all things found therein which are intended to be used or reasonably suspected to have been used in connection with such prize competition.

(*2*) All searches under this section shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898 (5 of 1898).

15. Forfeiture newspapers and publications containing prize competitions.—Where any newspaper or other publication contains any prize competition promoted or conducted in contravention of the provisions of this Act or except in accordance with the provisions of licence under this Act or any advertisement in relation thereto, the State Government may, by notification in the Official Gazette, declare every copy of the newspaper and every copy of the publication containing the prize competition or the advertisement, to be forfeited to Government.

16. Appeals.—Any person aggrieved by the decision of the licensing authority refusing to grant a licence or cancelling or suspending a licence may, within such time as may be prescribed, prefer an appeal to the State Government and the decision of the State Government on such appeal shall be final.

17. Licensing authority and other officers to be public servants.—The licensing authority and any other officer acting under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

18. Jurisdiction to try offences.—No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.

19. Protection of action taken under this act.—No suit, prosecution or other legal proceeding shall lie against the licensing authority or any other officer of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

20. Power to make rules.—(*1*) The State Government may, by notification in the Official Gazette, and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and manner of application for a licence and the fees, if any, for such licence;

(b) the period for which, the conditions subject to which and the form in which, a licence may be granted;

(c) the form in which and the intervals at which statements of accounts shall be submitted to the licensing authority;

(d) the time within which an appeal against a decision of the licensing authority may be preferred to the State Government;

(e) any other matter which is to be or may be prescribed.